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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Division Director

December 6, 2011

Michael Pauletto
I&P Investments, Inc.
11204 Northwest 37th Court
Vancouver, Washington 98685

Subject: Follow-up on Site Visit, I & P Investments, Inc., Green Peak Quarry, M/003/0060, Box Elder County, Utah.

Dear Mr. Pauletto:

Thank you for meeting with us on site on October 18, 2011. I appreciate your cooperation in submitting the additional reclamation surety and being willing to reclaim the site. As agreed, we have contacted the BLM and discussed various activities related to your plans to reclaim the Green Beetle Quarry. We have summarized their response to the various issues:

1. Reclamation requirements of the old millsite/work area along the immigrant pass road: This area was to have been reclaimed within two years of approval of the mine. As per the approved reclamation plan, the waste rock piles need to be removed. The approved plan will allow you to screen larger rock material and place them in a 6-foot berm along the immigrant pass road. All excess material will need to be hauled back to the quarry. The BLM will not allow you to place any of this material as fill to raise the road through the drainage to the south, nor will they allow you to grade it out on site. After the excess material is removed from the site, the area will need to be ripped to eliminate compaction and seeded with the approved seed mix (copy attached).
2. Reclamation of the new work site: Reclamation will consist of removing all equipment and debris, regrading to 3h:1v slopes or flatter, and seeding with the approved seed mix.
3. Reclamation of the access road: The BLM has assured the Division of Oil, Gas and Mining that they own the surface estate and that you only have ownership for the top 100 feet of the mineral estate. They recognize that there was an old two-track road prior to your mining, but you have substantially improved the road to be able to haul the rock. Because the road was substantially improved and used as a mine access/haul road, the BLM requires reclamation of the road as specified in the approved plan in spite of its prior existence.



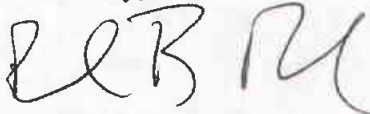
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4. Reclamation of the quarry area: This will require regrading/contouring to approximate original contour, utilizing the onsite material as well as the excess material from the millsite. With the recontouring process, you should make every reasonable attempt to use any soil, fines, etc., on the surface. After recontouring, seed the area with the approved seed mix. The BLM has asked that composted manure *not* be used since it may encourage weed establishment.

We suggest that you contact the BLM directly if you still have concerns with meeting these requirements.

Please don't hesitate to call me at (801) 538-5261 or Lynn Kunzler at (801) 538-5310 if you have any questions regarding this letter.

Sincerely,



Paul B. Baker
Mining Program Manager

PBB:lk:eb

Attachment: Approved Seed Mix

cc: Mike Nelson, BLM (mike_nelson@blm.gov)

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Recommended Seed Mix for
I & P Investments
Green Peak Quarry
M/003/060

Prepared by DOGM Sept. 14, 2004

| <u>Common Name</u> | <u>Species Name</u> | <u>*Rate lbs/ac (PLS)</u> |
|-------------------------------|--|---------------------------|
| 'Vavilov' siberian wheatgrass | <u>Agropiron sibericum 'vavilov'</u> | 2.0 |
| Bluebunch wheatgrass | <u>Agropyron spicatum</u> | 2.0 |
| Western wheatgrass | <u>Agropyron intermedium</u> | 1.5 |
| 'Bozoiski' russian wildrye | <u>Elymus junceus 'Bozoiski'</u> | 1.0 |
| 'Piute' orchard grass | <u>Dactylis glomerata 'piute'</u> | 0.5 |
| Basin Wildrye | <u>Elymus cinereus</u> | 1.5 |
| 'Ladak' alfalfa | <u>Medicago sativa 'ladak'</u> | 0.5 |
| Lewis flax | <u>Linum lewisii</u> | 0.5 |
| Palmer penstemon | <u>Penstemon palmeri</u> | 0.5 |
| Small burnet | <u>Sanguisorba minor</u> | 0.5 |
| Wyoming big sagebrush | <u>Artemisia tridentata wyomingensis</u> | 0.1 |
| Western yarrow | <u>Achillea millifolia</u> | 0.25 |
| 'Immigrant' forage kochia | <u>Kochia prostrata 'immigrant'</u> | 0.5 |
| 'Lassen' bitterbrush | <u>Purshia tridentata 'lassen'</u> | 1.0 |

Total 12.35 lbs/ac